

## THE PROCESS

Once all required information is submitted to the County, the process can take 16 to 18 weeks. The inducement application and executed Memorandum of Understanding will be reviewed by County staff during the first two weeks. If the project meets program criteria an inducement resolution will be obtained from the Board of Supervisors by week six. During weeks six and seven, County staff will prepare an application with the developer to be submitted to the California Debt Limit Allocation Committee (CDLAC) requesting an allocation from the State to issue bonds. The Volume Cap for MRBs for all issuers in the State of California is determined on an annual basis by CDLAC. CDLAC meets at least three times each year, or as necessary, to consider applications for allocations. The County holds the required Public Hearing prior to receiving the State allocation. Following receipt of the bond rating, the underwriter initiates the marketing and sale of the bonds. The issuer adopts all bond documents and signs the purchase contract. Upon completion of the sale, the proceeds are available for use by the developing entity.

## NOTES



EQUAL HOUSING  
OPPORTUNITY

*All County of San Bernardino Department of  
Economic and Community Development housing  
programs comply with Federal Fair Housing Laws.*

## SAN BERNARDINO COUNTY



**Board of Supervisors**  
*Presents the*

## MULTIFAMILY MORTGAGE REVENUE BOND PROGRAM



**DEPARTMENT OF ECONOMIC AND  
COMMUNITY DEVELOPMENT**

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## PURPOSE

The Multifamily Mortgage Revenue Bond (MRB) Program provides below market interest rate loans for development of new multifamily rental units, or acquisition and rehabilitation of existing multifamily rental units within the unincorporated territory of the County and its cooperating cities. The units must contain separate and distinct facilities for living, sleeping, eating, cooking and sanitation. There are no limits on the maximum number of units in a proposed development.

## BENEFITS

Qualified households benefit through the provision of more affordable rents as described below.

## AFFORDABILITY REQUIREMENTS

In accordance with federal, state, and local regulations, rent restrictions are as follows:

- ♦ 40% of the units must be reserved for households with incomes at or below 60% of the County median income as defined/established by HUD
- ♦ 20% of the units must be reserved for households with incomes at or below 50% of the County median income as defined/established by HUD

The rental limits for the reserved units are established by the County and are based on the County's median income, according to household size as established by the Department of Housing and Urban Development (HUD).

## ELIGIBILITY

Participants in this program can be individuals, partnerships, profit and nonprofit corporations who have a project(s) which meets the program requirements. The developing entity must be willing and able to pay program fees and costs, and must have the credit support of a private lender.

## FINANCING TERMS

Financing is available for construction, acquisition and rehabilitation, and/or permanent loans with loan rates below conventional rates. Loans will generally be amortized for 30-year terms and will be due in approximately 10 years. Under certain circumstances loans can also be structured with variable interest rates which are initially low in the early years of the loan and increase to a pre-established maximum interest rate over a specific period of time.

## THE MOU

The Memorandum Of Understanding (MOU) is a signed statement indicating that the developer understands the following conditions:

- ♦ The County requires the approval of bond counsel, underwriter, and other bond issue participants
  - ♦ The developer is required to commit an inducement application fee which is non-refundable and non-transferable should the developer decide not to proceed
  - ♦ There is an 18-month limit on an inducement
  - ♦ The developer agrees not to exceed the program rents during the qualified project period
  - ♦ The developer shall pay annual administrative fees as required and in a timely manner
  - ♦ The County's approval shall be obtained prior to any sale or transfer of the project
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